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HOUSE BILL 2466
By Scroggs

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 64, Part 2, relative to real property tax deferral.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-64-202, is amended by deleting the words and figures "twelve thousand dollars (\$12,000)" and by substituting instead the words and figures "twenty-five thousand dollars (\$25,000)".

SECTION 2. Tennessee Code Annotated, Section 7-64-203, is amended by deleting the words and figures "twelve thousand dollars (\$12,000)" and by substituting instead the words and figures "twenty-five thousand dollars (\$25,000)" every time such words and figures appear.

SECTION 3. Tennessee Code Annotated, Section 7-64-206, is amended by deleting the section in its entirety.

SECTION 4. Tennessee Code Annotated, Section 7-64-209, is amended by deleting the section in its entirety and by substituting instead the following:

Section 7-64-209. In the event of a sale of the property, the deferred taxes shall not be submitted to penalty as provided for delinquent taxes but shall be subject to simple interest at the rate of six percent (6%), and the accrued taxes and simple interest at six percent (6%) shall remain a first lien on the property in favor of the local government involved until paid and without being subject to the statutes of limitations.

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SECTION 5. Tennessee Code Annotated, Section 7-64-210, is amended by redesignating the existing section as subsection (d), and adding the following new subsections (a), (b), and (c):

Section 7-64-210.

(a) Deferrals on payment of real property taxes granted under the terms of this part shall be terminated:

(1) Upon the death of the person to whom the deferral was granted and that person's surviving spouse if such spouse meets the terms and conditions of this chapter; or

(2) When the residence is sold.

(b) When such termination is by death, such taxes and interest shall be due and payable within eighteen (18) months of such termination or the settlement of the estate, whichever occurs first.

(c) When such termination occurs as a result of the sale of the property, all unpaid taxes and interest thereon shall become due and payable within sixty (60) days. A deed for the sale of such property shall not be accepted for recordation in the office of the county register of deeds until all taxes and interest have been paid.

SECTION 6. This act shall take effect July 1, 1998, the public welfare requiring it.